



21668 Double Arch Road  
PO Box 29  
Staunton, IL 62088  
618-635-5000 (voice) • 618-635-7213 (fax) • 800-422-4848

REDACTED - FOR PUBLIC INSPECTION

Via ECFS

June 24, 2015

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
9300 East Hampton Drive  
Capital Heights, MD 20743

**RE: FCC FORM 481 – CARRIER ANNUAL REPORTING DATA COLLECTION  
CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE  
ORDER IN WC DOCKET NOS. 10-90, 07-0135, 05-337, 03-109, CC DOCKET NOS. 01-  
92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL  
COMMUNICATIONS COMMISSION (FILED IN DOCKETS 14-58) AND  
CONFIDENTIAL FINANCIAL INFORMATION FILED PURSUANT TO SECTIONS  
.457 AND .459 OF THE FEDERAL COMMUNICATIONS COMMISSION RULES**

Dear Ms. Dortch,

Madison Telephone Company (or "Company") hereby submits the attached redacted and confidential versions of its "FCC Form 481 – Carrier Annual Reporting Data Collection" financial information pursuant to sections §54.313 and §54.422 of the Commission's rules, as filed with the Universal Service Administrative Company.

Section 3005 of Form 481 requires the filing of financial information per 47 C.F.R. §54.313(f)(2). Madison Telephone Company maintains that this information is "Confidential Financial Information" on the grounds that it is competitively sensitive information which could be used to disadvantage or harm Company and is submitting this information pursuant to Protective Order, DA 12-1857 as described below. In addition, the Company is requesting confidential treatment pursuant to sections 0.457 and 0.459 of the Commission's rules for the Five-Year Service Quality Improvement Plan and Progress Report that is required by section 54.313(a)(1) to be attached to this report. Similar to the financial information submitted under section 54.313(f)(2), the information contained in the Five-Year Service Quality Improvement Plan and Progress Report contains competitively sensitive information, including but not limited

to projected build-out plans and capital expenditures, that is secure from public access that could be used by a competitor to disadvantage or harm the Company.

First, Madison Telephone Company is submitting the 54.313(f)(2) "Confidential Financial Information" as a "Stamped Confidential Document" with each page bearing the legend CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER IN WC DOCKET NOS. 10-90, 07-0135, 05-337, 03-109, CC DOCKET NOS. 01-92, 96-45, GN DOCKET NO. 09-51, WT DOCKET NO. 10-208, BEFORE THE FEDERAL COMMUNICATIONS COMMISSION and also submitting the .457 and .459 "Confidential Financial Information" as a "Stamped Confidential Document" with each page labeled "CONFIDENTIAL - NOT FOR PUBLIC INSPECTION". One copy of the "Stamped Confidential Document(s)" and accompanying cover letter are enclosed.

Second, Madison Telephone Company is submitting the "Stamped Confidential Document(s)" as a "Redacted Confidential Document" where the "Confidential Financial Information" has been redacted. Two copies of the "Redacted Confidential Document(s)" and accompanying cover letter with each page labeled "REDACTED - FOR PUBLIC INSPECTION" are enclosed.

Finally, Madison Telephone Company is submitting two copies of the "Stamped Confidential Document(s)" and accompanying cover letter to Charles Tyler, Telecommunications Access Policy Division, Wireline Competition Bureau, Federal Communications Commission, 445 Twelfth Street S.W., Room 5-A452, Washington, D.C. 20554.

FCC Form 481 was also filed prior to July 1st with the Illinois Commerce Commission.

Please contact me with any questions you have on this filing.

Sincerely,

*/s/ Dave Beier*

Dave Beier  
Director of Regulatory and Finance  
618-635-5000 ext 244  
[dbeier@madisontelco.com](mailto:dbeier@madisontelco.com)

Enclosures

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**

FCC Form 481

OMB Control No. 3050-0086/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	341049
<015>	Study Area Name	MADISON TEL CO
<020>	Program Year	2016
<030>	Contact Name: Person USAC should contact with questions about this data	Dave Beier
<035>	Contact Telephone Number: Number of the person identified in data line <030>	6186355000 ext. 144
<039>	Contact Email Address: Email of the person identified in data line <030>	dbeier@madison.telco.com

**ANNUAL REPORTING FOR ALL CARRIERS**

54.313 Completion Required	54.422 Completion Required
----------------------------------	----------------------------------

<100>	Service Quality Improvement Reporting	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<200>	Outage Reporting (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210>	<input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300>	Unfulfilled Service Requests (voice)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<310>	Detail on Attempts (voice)	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<320>	Unfulfilled Service Requests (broadband)	0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<330>	Detail on Attempts (broadband)	(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<400>	Number of Complaints per 1,000 customers (voice)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410>	Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420>	Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<430>	Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<440>	Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<450>	Mobile	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<500>	Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510>	341049f1510.pdf	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600>	Functionality in Emergency Situations	(check to indicate certification)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610>	341049f1610.pdf	(attached descriptive document)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700>	Company Price Offerings (voice)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<710>	Company Price Offerings (broadband)	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<800>	Operating Companies and Affiliates	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900>	Tribal Land Offerings (Y/N)?	(if yes, complete attached worksheet)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1000>	Voice Services Rate Comparability Certification	Yes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<1010>		(attach descriptive document)	<input type="checkbox"/>	<input type="checkbox"/>
<1100>	Certify whether terrestrial backhaul options exist (Yes or No)	(if not, check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<1110>		(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<1200>	Terms and Condition for Lifeline Customers	(complete attached worksheet)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>
<b>Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet</b>			
<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>



**(100) Service Quality Improvement Reporting  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	341049
<015>	Study Area Name	MADISON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	6186355000 ext. 244
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@madisonteleco.com
<110>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5	
<111>	year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

- <112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

34104911112.pdf

Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113> Maps detailing progress towards meeting plan targets
- <114> Report how much universal service (USF) support was received
- <115> How much (USF) was used to improve service quality and how support was used to improve service quality
- <116> How much (USF) was used to improve service coverage and how support was used to improve service coverage
- <117> How much (USF) was used to improve service capacity and how support was used to improve service capacity
- <118> Provide an explanation of network improvement targets not met in the prior calendar year.

Yes
Yes
Yes
Yes
Yes
Not Applicable

<b>(200) Service Outage Reporting (Voice)</b> <b>Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
--	--

<010>	Study Area Code	141049
<015>	Study Area Name	MADISON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	6186355000 ext.244
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@madisonstelco.com

[illegible]

(700) Price Offerings including Voice Rate Data  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	341049
<015>	Study Area Name	MADISON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	6186355000 ext.244
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@madisonstelco.com

<701> Residential Local Service Charge Effective Date  
<702> Single State-wide Residential Local Service Charge

1/1/2015

&lt;703&gt;

[illegible]

(710) Broadband Price Offerings  
Data Collection Form

FCC Form 481

CMB Control No 3060-0986/CMB Control No 3060-0819

July 2013

<010>	Study Area Code	341049
<015>	Study Area Name	MADISON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	6186355000 ext. 244
<038>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@madisontelco.com

[illegible]

<b>[800] Operating Companies</b> <b>Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010>	Study Area Code	341049
<015>	Study Area Name	MADISON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	6166355060 ext.244
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@madisonteleco.com

<810>	Reporting Carrier	Madison Telephone Co.
<811>	Holding Company	Schwartz Ventures, Inc.
<812>	Operating Company	Madison Telephone Co.

[illegible]



**(900) Tribal Lands Reporting  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	341049
<015>	Study Area Name	MADISON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	6166355000 ext.244
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@madisonteleco.com

&lt;910&gt; Tribal Land(s) on which ETC Serves

--

&lt;920&gt; Tribal Government Engagement Obligation

--

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
<922>	Feasibility and sustainability planning;
<923>	Marketing services in a culturally sensitive manner;
<924>	Compliance with Rights of way processes
<925>	Compliance with Land Use permitting requirements
<926>	Compliance with Facilities Siting rules
<927>	Compliance with Environmental Review processes
<928>	Compliance with Cultural Preservation review processes
<929>	Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

**(1100) No Terrestrial Backhaul Reporting  
Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	341049
<015>	Study Area Name	MADISON TEL CO
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	6186355000 ext.244
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@madisonstelco.com

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

**(1200) Terms and Condition for Lifeline Customers****Lifeline****Data Collection Form**

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	341049
<015>	Study Area Name	MADISON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Dave Baier
<035>	Contact Telephone Number - Number of person identified in data line <030>	6186355000 ext.244
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbaier@madison.telco.com

341049i11210.pdf

&lt;1210&gt; Terms &amp; Conditions of Voice Telephony Lifeline Plans

Name of Attached Document

&lt;1220&gt; Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒

**(2000) Price Cap Carrier Additional Documentation****Data Collection Form***Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	341049
<015>	Study Area Name	RAVISON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	DAVE BELEY
<035>	Contact Telephone Number - Number of person identified in data line <030>	6186355000 ext. 244
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeley@ravison.telco.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

- <2010> 2nd Year Certification (47 CFR § 54.313(b)(1)(i))
- <2011a> 3rd Year Certification (47 CFR § 54.313(b)(1)(ii))
- <2011b> Attachment (47 CFR § 54.313(b)(1)(iii))


Name of Attached Document(s) Listing Required Information

**Price Cap Carrier Receiving Frozen Support Certification (47 CFR § 54.312(a))**

- <2012> 2013 Frozen Support Calculation (47 CFR § 54.313(c)(1))
- <2013> 2014 Frozen Support Calculation (47 CFR § 54.313(c)(2))
- <2014> 2015 Frozen Support Calculation (47 CFR § 54.313(c)(3))
- <2015> 2016 and future Frozen Support Calculation (47 CFR § 54.313(c)(4))


**Price Cap Carrier Connect America ICC Support (47 CFR § 54.313(d))**

- <2016> Certification Support Used to Build Broadband

--

**Connect America Phase II Reporting (47 CFR § 54.313(e))**

- <2017> 3rd year Broadband Service Certification
- <2018> 5th year Broadband Service Certification
- <2019> Interim Progress Certification


- <2020> Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

--

- <2021> Interim Progress Community Anchor Institutions


Name of Attached Document(s) Listing Required Information



**(3000) Rate Of Return Carrier Additional Documentation****Data Collection Form**

FCC Form 481

OMB Control No. 3050-0986/OMB Control No. 3050-0819

July 2019

<010> Study Area Code	341049
<015> Study Area Name	MADISON TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Dave Brier
<035> Contact Telephone Number - Number of person identified in data line <030>	6186355000 ext. 244
<039> Contact Email Address - Email Address of person identified in data line <030>	dbrier@madison.telco.com

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

- (3010) Progress Report on 5 Year Plan  
Milestone Certification (47 CFR § 54.313(f)(1)(i))

341049113010.pdf

Name of Attached Document Listing Required Information

- (3011) Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year. ☒

341049113012.pdf

- (3012) Community Anchor Institutions (47 CFR § 54.313(f)(1)(ii))

Name of Attached Document Listing Required Information

- (3013) Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))  
(3014) If yes, does your company file the RUS annual report

(Yes/No)

(Yes/No)



Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

- (3015) Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers) ☐  
(3016) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

- (3017) If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

Name of Attached Document Listing Required Information

- (3018) If the response is no on line 3014, Is your company audited?

(Yes/No)



If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3019) Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications ☒  
(3020) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☒  
(3021) Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit ☒

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

- (3022) Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers, ☐  
(3023) Underlying information subjected to a review by an independent certified public accountant ☐  
(3024) Underlying information subjected to an officer certification ☐  
(3025) Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows ☐

341049113026.pdf

- (3026) Attach the worksheet listing required information

Name of Attached Document Listing Required Information

## (3000) Rate Of Return Carrier Additional Documentation (Continued)

Data Collection Form

FCC Form 481

OMB Control No. 3050-0986/OMB Control No. 3050-0819

July 2019

<010> Study Area Code	341042
<015> Study Area Name	MADISON TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Dave Beier
<035> Contact Telephone Number - Number of person identified in data line <030>	6166355000 ext. 244
<039> Contact Email Address - Email Address of person identified in data line <030>	dbeier@madisonteleco.com

## Financial Data Summary

(3027) Revenue	11226928
(3028) Operating Expenses	10130910
(3029) Net Income	944795
(3030) Telephone Plant In Service(TPIS)	31472819
(3031) Total Assets	19522407
(3032) Total Debt	1314206
(3033) Total Equity	15301660
(3034) Dividends	0

Name of Attached Document Listing Required Information

Certification - Reporting Carrier Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	341049
<015> Study Area Name	MADISON TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Dave Beier
<035> Contact Telephone Number - Number of person identified in data line <030>	6186355000 ext. 244
<039> Contact Email Address - Email Address of person identified in data line <030>	dbeier@madsontelco.com

TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: MADISON TEL CO	
Signature of Authorized Officer: CERTIFIED ONLINE	Date: 06/23/2015
Printed name of Authorized Officer: Robert Schwartz	
Title or position of Authorized Officer: President	
Telephone number of Authorized Officer: 6186351000 ext.	
Study Area Code of Reporting Carrier: 341049	Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/CMB Control No. 3060-0619  
 July 2013

<010> Study Area Code	341049
<015> Study Area Name	MADISON TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Dave Beier
<035> Contact Telephone Number - Number of person identified in data line <030>	6186355000 ext. 244
<039> Contact Email Address - Email Address of person identified in data line <030>	dbeier@madisonteleco.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	



## Attachments

(700) Price Offerings including Voice Rate Data  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0985/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	341049
<015>	Study Area Name	MADISON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Dave Baier
<035>	Contact Telephone Number - Number of person identified in data line <030>	6186355000 ext. 244
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbaier@madisontelco.com

<701>	Residential Local Service Charge Effective Date	1/1/2015
<702>	Single State-wide Residential Local Service Charge	

&lt;703&gt;

[illegible]

(710) Broadband Price Offerings  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	341049
<015>	Study Area Name	MADISON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	6186355000 ext.244
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@madisontelco.com

[illegible]

### Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	341049
<015>	Study Area Name	MADISON TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Dave Beier
<035>	Contact Telephone Number - Number of person identified in data line <030>	6086355000 ext.244
<039>	Contact Email Address - Email Address of person identified in data line <030>	dbeier@madsontelco.com
<810>	Reporting Carrier	Madison Telephone Co.
<811>	Holding Company	Schwartz Ventures, Inc.
<812>	Operating Company	Madison Telephone Co.

[illegible]



**Madison Telephone Company  
("Madison" or "Company")  
FIVE YEAR SERVICE QUALITY IMPROVEMENT PLAN and  
PROGRESS REPORT  
Due July 1, 2015  
Study Area Code 34-1049**

**INTRODUCTION**

This five year service quality improvement plan and progress report is a section of Madison's 2016 (2014 activity) FCC Form 481 Annual Report. It is in compliance with §54.313(a) (1) adopted in the FCC's USF/ICC Transformation Order (11-161). This document also incorporates further clarifications identified in subsequent Reconsideration Orders, as applicable, in effect prior to the filing of the Annual Report.

The Company has carefully developed its improvement plan and progress report, concentrating upon the delivery and continuation of a robust network which provides, at a minimum, the federally required voice and broadband connectivity as stipulated by regulatory rule. The Company advises that this improvement plan and progress report has been carefully crafted, matching measured network deployment, improvement in terms of capacity, coverage and quality service levels with known financial implications of the Transformation Order upon the Company's support cash flows.

The environment in which the Company operates remains dynamic, not static. As a result, the Company reserves the opportunity to modify its plan in response to further regulatory decisions as they are adopted and as their implication upon the Company's financial viability in providing the required services and service level quality becomes known.

The Company will re-evaluate this plan on an annual basis. Action, however, may also be taken abruptly on the presented plan for both current and outer years in the event of evolving regulatory conditions and/or changes in technology. All significant adjustments to the improvement plan in this document will be reflected and explained in subsequent annual reports.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

---

<sup>1</sup>Per 47 C.F.R. § 54.314, federal USF support, "will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended." If investments or expenses are for service areas larger than the supported service areas, then allocations of the expenditures are required.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

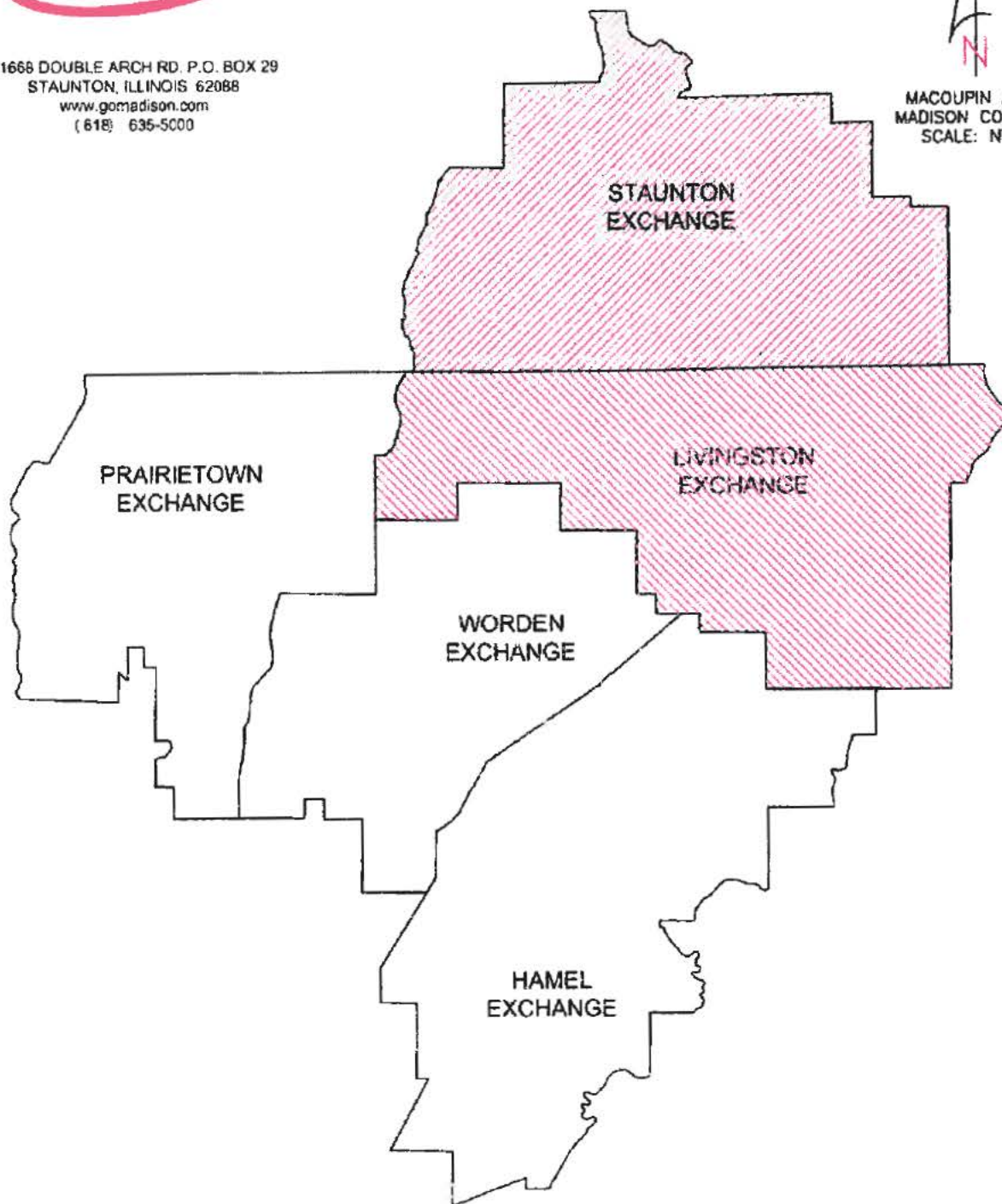


21668 DOUBLE ARCH RD. P.O. BOX 29  
STAUNTON, ILLINOIS 62088  
www.gomadison.com  
(618) 635-5000

All areas have capability of  
10 Mbps down / 1 Mbps up speeds



MACOUPIN AND  
MADISON COUNTY  
SCALE: NTS



FILE MADISON BOUNDARY EXCHANGES STAUNTON, LIVINGSTON, HAMEL, WORDEN, & PRAIRIETOWN

PROJECT LOCATION OF MADISON COMMUNICATIONS EMBEDDED AND ACQUIRED EXCHANGE BOUNDARIES

KEY



EMBEDDED EXCHANGES



ACQUIRED EXCHANGES

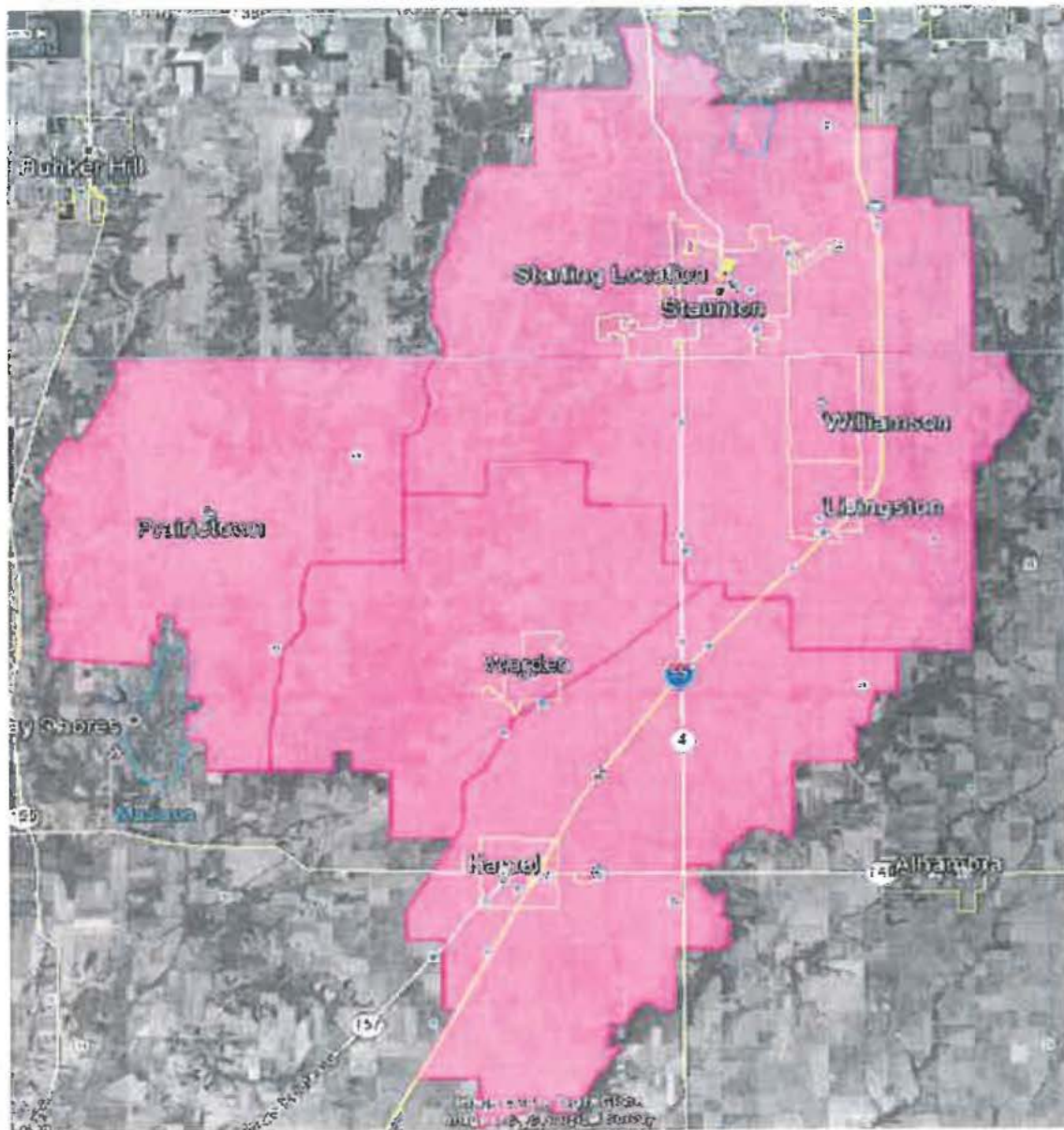
SHEET 1 OF 1





All areas have capability of  
10 Mbps down / 1 Mbps up speeds

21668 DOUBLE ARCH RD, P.O. BOX 29  
STAUNTON, IL 62088  
[www.gomadison.com](http://www.gomadison.com)  
(618) 635-5000



Redacted - For Public Inspection

WIRE CENTER NAME	DESCRIPTION of IMPROVEMENT	COST ESTIMATE	REGULATED % ALLOCATION	AMOUNT IN US\$ SUPPORT AREA	% VOICE	ALLOCATED VOICE	% BROADBAND	ALLOCATED BROADBAND	AREA IMPACTED	POPULATION IMPACTED	TARGET COMPLETE DATE	ACTUAL COMPLETE DATE	Notes
A	B	C	D	E=C*D	F	E*F	H	E*H	square miles	***	***	***	

Redacted - For Public Inspection

WIRE CENTER NAME	DESCRIPTION of IMPROVEMENT	COST ESTIMATE	REGULATED % ALLOCATION	AMOUNT IN USE SUPPORT AREA	% VOICE	ALLOCATED VOICE	% BROADBAND	ALLOCATED BROADBAND	AREA IMPACTED	POPULATION IMPACTED	TARGET COMPLETE DATE	ACTUAL COMPLETE DATE	Notes
A	B	C	D	E=C*D	F	E*F	H	E*H	square miles	***	***	***	

Redacted - For Public Inspection

[illegible]

Redacted - For Public Inspection

[illegible]



Redacted - For Public Inspection

WIRE CENTER NAME	DESCRIPTION of IMPROVEMENT	COST ESTIMATE	REGULATED % ALLOCATION	AMOUNT IN USE SUPPORT AREA	% VOICE	ALLOCATED VOICE	% BROADBAND	ALLOCATED BROADBAND	AREA IMPACTED	POPULATION IMPACTED	TARGET COMPLETE DATE	ACTUAL COMPLETE DATE	Notes
A	B	C	D	E=C*D	F	E*F	H	E*H	square miles	***	***	***	

**Madison Telephone Company's demonstration of complying with applicable service quality standards and consumer protection rules for voice and broadband services:**

In establishing this certification in its *2005 ETC Order*,<sup>1</sup> the FCC found that an ETC must make "a specific commitment to objective measures to protect consumers."<sup>2</sup> The Commission found that for wireless ETCs, compliance with CTIA's Consumer Code for Wireless Service would satisfy this requirement" and that the sufficiency of other commitments would be considered on a case-by-case basis.<sup>3</sup> In this context, the FCC stated, "to the extent a wireline or wireless ETC applicant is subject to consumer protection obligations under state law, compliance with such laws may meet our requirement."<sup>4</sup>

Madison Telephone Company ("Company") hereby certifies that it is complying with applicable service quality standards and consumer protection rules. The Company is subject to consumer protection obligations under the Illinois Administrative Code (IAC), Title 83: Public Utilities, Chapter I: Illinois Commerce Commission, Subchapter f: Telephone Utilities. These obligations include, but are not limited to, the following: adherence to Illinois state consumer protection requirements governing telephone providers which include Quality of Service rules as identified in IAC Part 730 and 732, and Compliance with Anti-Slamming and Anti-Cramming Procedures as adopted in

---

<sup>1</sup> *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, FCC 05-46 (rel. Mar. 17, 2005) ("*2005 ETC Order*").

<sup>2</sup> *Id.* at para. 28.

<sup>3</sup> *Id.* The FCC noted that under the CTIA Consumer Code, wireless carriers agree to: "(1) disclose rates and terms of service to customers; (2) make available maps showing where service is generally available; (3) provide contract terms to customers and confirm changes in service; (4) allow a trial period for new service; (5) provide specific disclosures in advertising; (6) separately identify carrier charges from taxes on billing statements; (7) provide customers the right to terminate service for changes to contract terms; (8) provide ready access to customer service; (9) promptly respond to consumer inquiries and complaints received from government agencies; and (10) abide by policies for protection of consumer privacy." *Id.* at n. 71.

<sup>4</sup> *Id.* at n. 72.

Illinois Public Act 90-610 and 97-0822, (3) truth-in-billing requirements pursuant to federal rule and IAC 735.70; and (4) CPNI, Red Flag Rules and other applicable federal and state requirements governing the protection of customers' privacy.

The Company is subject to consumer protection obligations for broadband services under federal law. These obligations include, but are not limited to, the following: public disclosure of accurate information regarding network management practices, performance, and commercial terms of broadband internet access services; as a means of providing sufficient information for consumers to make informed choices regarding use of such services, and for content, application, service and device providers to develop, market, and maintain internet offerings as specified in F.C.C. 47 C.F.R. Part 8 §8.3. The Company furthermore will comply with all requirements set forth in the *2015 Open Internet Order* when it becomes effective.

**Madison Telephone Company's demonstration of ability to function in emergency situations for voice and broadband services:**

Madison Telephone Company ("Company") hereby certifies that it is able to function in emergency situations as set forth in the Code of Federal Regulations, Title 47, Part 54, Subpart C, §54.202(a)(2)<sup>1</sup> and Title 83, Chapter I, Sub-Chapter f, Section 730.325 of the Illinois Administrative Code. The Company's network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations as required by Section 54.202(a)(2). The Company can change call routing translations as needed to reroute traffic around damaged facilities. Changing call routing translations will also allow the Company to manage traffic spikes throughout its network, as emergency situations require.

Specifically, each central office building is supplied with standby generators and battery back-up that enable the central office to keep running until power is restored so long as fuel is available, or until system changes are made to reroute traffic. In accordance, and compliance, with Title 83, Chapter I, Sub-Chapter f, Section 730.325 (b), all switching offices or equivalent with installed emergency power generating equipment have a minimum of three (3) hours battery capacity; switching offices or equivalent without installed emergency power generating equipment have a minimum battery capacity of five (5) hours.

---

<sup>1</sup> Section 54.202(a)(2) requires ETCs that are designated by the Commission to "demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations."

The company's standby generators and battery back-up support both voice and broadband network equipment should an emergency situation occur.



### **Description of Lifeline Terms and Conditions**

- 1) See Madison Telephone Company's website at [www.gomadison.com/residential/telephone/lifelinelinkup](http://www.gomadison.com/residential/telephone/lifelinelinkup) for Lifeline Terms and Conditions.
- 2) All of Madison's Lifeline customers receive unlimited local calling minutes.
- 3) Madison Telephone provides toll calling equal access for all Lifeline customers through available interexchange carriers (IXC's). The rates, terms and conditions of their toll carrier offerings are made by the IXC's, not by Madison Telephone.

**Madison Telephone Company (SAC 341049)**

**Response to Line 3010 – Milestone Certification (47 CFR §54.313(f)(1)(i))**

Madison Telephone Company hereby certifies that throughout 2014, it took reasonable steps to provide upon reasonable request broadband service at actual speeds of at least 4 Mbps downstream/1 Mbps upstream, and currently, it is taking reasonable steps to provide upon reasonable request actual speeds of at least 10 Mbps downstream/1 Mbps upstream broadband service at with latency suitable for real-time applications, including Voice over Internet Protocol, and usage capacity that is reasonably comparable to comparable offerings in urban areas as determined in an annual survey, and that requests for such service are met within a reasonable amount of time.

**Response to Line 3012 - List of Community Anchor Institutions to Which the ETC Newly Began Providing Service**

[illegible]

(3005a) Operating Report for Privately-Held Rate of Return Carriers

Balance Sheet - Data Collection Form

Redacted - For Public Inspection

FCC Form 481

OMB Control No. 3068-0585

OMB Control No. 3060-0819

July 2013

Page 1 of 3

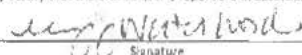
<010> Study Area Code	343043
<015> Study Area Name	Madison Telephonic Co.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Dave Brier
<035> Contact Telephone Number - Number of person identified in data line <030>	618-635-5000 ext 244
<039> Contact Email Address - Email Address of person identified in data line <030>	dbrier@madisonteleco.com

Filed as reviewed single company	<input type="checkbox"/>	Filed as audited single company	<input checked="" type="checkbox"/>
Filed as reviewed consolidated company	<input type="checkbox"/>	Filed as audited consolidated company	<input type="checkbox"/>
Filed as subsidiary of reviewed consolidated company	<input type="checkbox"/>	Filed as subsidiary of audited consolidated company	<input type="checkbox"/>

## CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.



07/27/2015

Signature

Date

## PART A. BALANCE SHEET

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other - RTFC		
			40. Funded Debt-Rural Develop. Loan		
<b>NONCURRENT ASSETS</b>			41. Premium (Discount) on L/T Debt		
1. Investment in Affiliated Companies			42. Reacquired Debt		
a. Rural Development			43. Obligations Under Capital Lease		
b. Nonrural Development			44. Adv. From Affiliated Companies		
2. Other Investments			45. Other Long-Term Debt		
a. Rural Development			46. Total Long-Term Debt (36 thru 45)		
b. Nonrural Development			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
3. Nonregulated Investments			47. Other Long-Term Liabilities		
4. Other Noncurrent Assets			48. Other Deferred Credits		
5. Deferred Charges			49. Other Jurisdictional Differences		
6. Jurisdictional Differences			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
7. Total Noncurrent Assets (1 Thru 6)			<b>EQUITY</b>		
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			51. Cap. Stock Outstanding & Subscribed		
8. Telecom, Plant in Service			52. Additional Paid-in Capital		
9. Property Held for Future Use			53. Treasury Stock		
10. Plant Under Construction			54. Membership and Cap. Certificates		
11. Plant Adj., Nonop. Plant & Goodwill			55. Other Capital		
12. Less Accumulated Depreciation			56. Patronage Capital Credits		
13. Net Plant (10 thru 12 less 12)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
14. TOTAL ASSETS (10+13+23)			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

(3005b) Operating Report for Privately-Held Rate of Return Carriers  
Income Statement - Data Collection Form

Redacted - For Public Inspection

FCC Form 481  
OMB Control No. 3050-0945  
OMB Control No. 3060-0819  
July 2013

Page 2 of 3

<010> Study Area Code 941049  
<015> Study Area Name Madison Telephone Co.  
<020> Program Year 2016  
<030> Contact Name - Person USAC should contact regarding this data Dave Belar  
<035> Contact Telephone Number - Number of person identified in data line <030> 618-635-5000 ext 244  
<039> Contact Email Address - Email Address of person identified in data line <030> dbelar@madisonteleco.com

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or Margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins end-of-Period [(31+33+34)-(35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-11)/7]		
46. Operating Accrual Ratio [(14+20+26)/7]		
47. TIER [(31+26)/26]		
48. DSCR [(31+26+10-11)/44]		



(3005c) Operating Report for Privately-Held Rate of Return Carriers

Cash Flow - Data Collection Form

Redacted - For Public Inspection

FCC Form 481

OMB Control No. 3060-0986

OMB Control No. 3060-0819

July 2013

Page 3 of 3

<010> Study Area Code	341049
<015> Study Area Name	Madison Telephone Co.
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Dave Beier
<035> Contact Telephone Number - Number of person identified in data line <030>	618-635-5000 ext 244
<039> Contact Email Address - Email Address of person identified in data line <030>	dbeier@madisontelco.com

PART C. STATEMENTS OF CASH FLOWS	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
2. Net Income	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3. Add: Depreciation	
4. Add: Amortization	
5. Other (Explain)	
<b>Changes in Operating Assets and Liabilities</b>	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. Net Cash Provided/(Used) by Operations	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain)	
23. Net Cash Provided/(Used) by Financing Activities	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain) RTFC - Patronage Capital/Certificates, Net	
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	



MARLETT & ASSOCIATES  
C P A S LTD

2131 W. White Oaks Dr. • Suite B-1  
Springfield, Illinois 62704

Tel: (217) 679-0904  
Fax: (217) 679-0912  
Email: dmarlett@twocpas.net  
scott@twocpas.net  
www.twocpas.net

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Madison Telephone Company  
Staunton, Illinois 62088

We have audited the accompanying financial statements of **Madison Telephone Company** (an Illinois S corporation and a wholly-owned subsidiary of Schwartz Ventures, Inc.), which comprise the balance sheets as of December 31, 2014 and 2013, and the related statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Madison Telephone Company** as of December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Marlett & Associates CPAs, Ltd.*

Springfield, Illinois  
April 22, 2015





MARLETT & ASSOCIATES  
C P A S LTD

2131 W. White Oaks Dr. • Suite B-1  
Springfield, Illinois 62704

Tel: (217) 679-0904  
Fax: (217) 679-0912  
Email: dmarlett@twocpas.net  
scott@twocpas.net  
www.twocpas.net

To Board of Directors and Management  
of Madison Telephone Company

In planning and performing our audit of the financial statements of Madison Telephone Company as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered Madison Telephone Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Company, and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Marlett & Associates CPAs, Ltd.*

Marlett & Associates  
Certified Public Accountants, Ltd.  
Springfield, Illinois  
April 22, 2015



MARLETT & ASSOCIATES  
C P A S LTD

2131 W. White Oaks Dr. • Suite B-1  
Springfield, Illinois 62704

Tel: (217) 679-0904  
Fax: (217) 679-0912  
Email: dmarlett@twocpas.net  
scott@twocpas.net  
www.twocpas.net

## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

April 22, 2015

Board of Directors  
Madison Telephone Company  
Staunton, Illinois 62088

We have audited the financial statements of the Madison Telephone Company for the year ended December 31, 2014 and have issued our report thereon dated April 22, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 20, 2015. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Madison Telephone Company are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2014. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.



### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated April 22, 2015.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We have communicated issues concerning internal control over financial reporting and on compliance and other matters in our letter dated April 22, 2015.

This information is intended solely for the use of the Board of Directors and management of Madison Telephone Company and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Marlett & Associates CPAs, Ltd.*

Marlett & Associates  
Certified Public Accountants, Ltd.